

1.933

N 47

Cop 3

UNITED STATES DEPARTMENT OF AGRICULTURE
Rural Electrification Administration
Washington 25, D. C.

February 1948

NEWSLETTER TOPICS

To Managers and Newsletter Editors: Does your newsletter work for you? Recently a manager remarked that for several years he gave his newsletter little attention. Regular work was carried on until the last moment, then everybody plunged in, grabbed what they could get together hastily and got the issue mailed as quickly as they could. But then it occurred to him that the newsletter should be regarded as a paid employee, assigned to member relations work. On that basis, it was not doing a good job and he was frank enough to admit that this was chargeable to haphazard planning and lack of supervision. He and his staff systematized the job, set up a good file and kept their ears to the ground for interesting items and features about members and their uses of electricity. Routine reports took care of themselves. They made their newsletter a lively, local publication. By getting the members into the newsletter, they got the newsletter into the members' homes and got it read. Surprisingly, they found that it took less of their time and that the newsletter began to earn its "pay". "Newsletter Topics" is meant to help you by providing a few quotes from other publications showing how they have handled certain subjects, and by giving you outlines of features that can be handled from the local perspective. We hope that it will be of real service to you.

SOME FACTS ABOUT SUPPLY AND DEMAND

Some of the co-ops are making effective use of their newsletters for a frank and friendly discussion of conditions that are delaying their efforts to bring electricity to waiting members they have not yet been able to serve.

For example, one newsletter said we are unable to make new connections as fast as we would like because the demand for construction materials continues to be greater than the supply. There has been a substantial increase in the production of materials and a corresponding increase in construction, but the volume of new service applications has increased so rapidly that manufacturers have been unable to enlarge their production capacity fast enough to catch up with the demand.

November 1, 1945 to October 31, 1947 provides a 2-year period for which figures are complete. What happened during that time, both here and elsewhere, shows how extensive this trend has been.

Locally, the co-op started the period with (number) on the waiting list and (number) new applications were added during the 2 years. New connections totaled (number) -- a good record compared to any previous

period -- but there still were (number) on the waiting list when the period closed.

Nationally, allocation estimates in loans already approved by REA on November 1, 1945 included a backlog of 394,000 unserved applicants and about 822,000 new applications were added in loans approved for the co-ops during the next 2 years. REA borrowers set new all-time high records with 605,000 connections but, in spite of this unprecedented progress, the period closed with the backlog increased to 611,000. Partial reports from commercial utilities and municipalities indicate that the aggregate of their waiting lists probably equals this REA total.

Metals required for line materials are also needed for hundreds of other articles and demand exceeds supply all along the line. When the finished article requires many parts, production is limited by the part in slowest supply. Automobiles provide a good example. Slow receipts of one essential part delays the entire assembly line. Your connection for electric service is in this category. We must have everything needed to make it usable and safe before it can be installed.

(item 1) and (item 2) cause us the most trouble. (It was transformers and insulators in this case--your two examples may be different). We need (number) (item 1) and (number) (item 2) to complete the (number) miles of lines included in loans already allocated to us by REA. We ordered (number) (item 1) as long ago as (month), 194--. (Add details of later orders). To date we have received only (number) and delivery on the balance is promised (give details). We have had (number) (item 2) ordered since (date). Only enough for (number) miles of line has been received and delivery of the rest is scheduled (give details). (Mention other items that are causing trouble, giving details).

The outlook at this time is better than it was a year ago. (list items) are easier to obtain. If no serious interruptions occur, important gains in production are expected during 1948. Prices, that threatened to rise above feasibility levels, show signs of leveling off. We promise you that we will keep on doing our best and that we will keep you fully posted as we go along.

AVERAGE POWER USE AND NEW CONNECTIONS SET NEW HIGHS ON REA-FINANCED SYSTEMS

One thing that went down in price last year, was electricity from our lines. Our average revenue was _____¢ per kwh in 1947, contrasted to _____¢ in 1946. The average use was _____ kwh per member, a new high. New connections to our system lines totaled _____ and, generally speaking, we had a satisfactory year despite unfavorable conditions that delayed construction here, as elsewhere.

Our local progress contributed to the new national 1947 record-breaking highs in average annual kilowatt-hour consumption and in new connections announced by REA Administrator Wickard on December 30. Mr. Wickard's statement covered totals from all REA-financed systems in the nation. He reported that loans approved by REA for all borrowers and construction progress they were able to make also reached high levels, making 1947 one of the banner years in rural electrification since 1935.

Loan funds approved by REA for the (your co-op name) during 1947 totaled \$_____ to finance construction of (number) miles of rural lines that will eventually serve (number) new consumers. This makes a total of \$_____ in loans that REA has approved for us since July 1, 1945 to finance (number) miles of lines and provide electric service for (number) consumers. Since our first loan was approved on (date), 19_____, the grand total of all loans allocated to us is \$_____. Of this amount, \$_____ has been advanced to cover construction and system improvements already completed. On December 31 we had (number) miles of distribution lines in operation and were serving (number) consumers.

Our job still is a big one. We have \$_____ still left from our approved loans to finance service for (number) consumers as rapidly as line materials for construction can be obtained. Pending applications, upon which REA has not yet been able to act, include service for another (number). This leaves (number), who must be included in future applications, to complete our area coverage plans.

Nationally, the average annual power consumption rose to 1794 KWH and connections totaled 346,000 in 1947, record-breaking achievements that highlighted a year of outstanding progress on REA-financed rural power systems, Mr. Wickard said.

While the average annual power bill increased from \$57.61 to \$61.18, the average kilowatt-hour cost to consumers dropped from 3.60 cents to 3.41 cents, he pointed out. This saving is principally due to sliding rate scales that lower unit costs as more electricity is consumed.

REA's total loan allocations in 1947 was \$233,991,000, bringing loan totals since July 1, 1945 to more than \$600,000,000. The grand total of loans approved by REA since May, 1935 was estimated at \$1,192,000,000 on December 31, of which \$815,000,000 had been advanced. The year ended with REA-financed systems operating approximately 594,000 miles of lines and serving some 2,030,000 farms and other rural establishments.

REA estimated that 2,280,000 farms in the U. S. were unelectrified as of July 1, 1947. Census reports showed a total of 4,150,000 unelectrified farm and non-farm rural dwellings last April.

Loans REA has already approved and is ready to advance as construction warrants will provide service for more than 500,000 of these rural people. The \$231,000,000 backlog of unapproved applications REA had when the year ended includes plans to serve many others. Area coverage plans of REA borrowers contemplate service for all as rapidly as future developments will permit.

HOW OTHERS TELL IT.

Co-ops Are Also Private Business: (The following item is quoted from page 6 of the September 1947 issue of Farm Journal. Its author is Wheeler McMillen, the editor of Farm Journal.) "Language is none too exact at best. Words which do not convey the intended meaning make for fuzzy thinking. The other day I noticed that someone while arguing for cooperatives kept contrasting them with 'private business.' He probably meant privately-owned corporations, but he sounded as though he was saying that cooperatives are somehow public organizations. A cooperative works under the 'free enterprise' system, as contrasted to government or public ownership, just as do corporations, partnerships or family farms. A cooperative is simply another legitimate form of private free enterprise. If one wished to contrast the cooperative with corporate type of private business, he might better just use those words. Both are groups and both are private."

WHO SAYS NO TAXES?

Jewell-Mitchell Cooperative Electric Company, Inc., Ionia, Kansas: Much propaganda has been published to the effect that cooperatives do not pay taxes. That statement is very much in error. For instance, in 1946, your Cooperative paid \$7,317.27 in Federal and State taxes. They are itemized as follows:

Federal Unemployment Tax.....	\$ 424.20
Social Security Tax.....	528.49
State Unemployment Tax.....	332.35
State Sales Tax.....	1562.14
State Property Tax.....	2809.48
Other State Taxes.....	52.66
Withholding Taxes.....	1607.95

LINE LOSSES: (Atchison-Holt Electric Cooperative, Rock Port, Missouri, explains) It may interest you to know that of the total KWH purchased each month, over 23% is lost as far as resale is concerned. This, we call line-loss. It is the difference in KWH registered by our power meters at our substation in Burlington Junction, Missouri, and the Municipal Plant in Rock Port, Missouri, and the total consumption as registered on all of your meters. It consists of the power used to keep all of the transformers, meters and wires energized, and used in overcoming the resistance in all of these things. It is quite an item of expense, amounting to several hundred dollars each month. For this reason, we keep the lines in good shape and try not to have transformers larger than actually needed by the members on the line.

5-NEWSLETTER TOPICS-February 1948

ALONG CO-OP LINES: (Talquin Electric Cooperative, Inc., Quincy, Florida, tells a good one) We enjoyed meeting and talking with the co-op consumers who stopped to see us. Each had something interesting to tell of the use of electricity on his farm. It seems that Mr. John Doll has a bull on his place that was so alarmed to find the wire around his pasture electrified, that he set himself the task of preventing the cows from getting close enough to the wire to receive the same shock he had experienced. Another person who finds electrified fencing a very useful aid on the farm is Mr. L. M. Lewis.

FROM THE OFFICE..... (South Central Electric Association, St. James, Minnesota, gives a pat on the back) The other day Mr. A. S. Harder, Butterfield township, Watonwan county, reported to us that a pole on our line had been struck by lightning some time during the summer months. This pole had been badly damaged and our boys had not as yet noticed it. We really appreciate it when members take an interest in their cooperative and report such items to the office.

